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COUNTRY Hungary

**CONFIDENTIAL**

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SUBJECT Iron and Steel Production in Hungary : 1938 - 1949

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## 1. Pig-iron production

- a. One of Hungary's two pig-iron producing plants is located at Diós Győr; it has two blast furnaces with a daily capacity of 150 tons each. The other plant is located at Ózd and has two blast furnaces with a daily capacity of 180 tons and 250 tons respectively.
- b. Annual pig-iron production during the last 12 years is shown in the following table:

1938	334,880 tons	1944	295,000 tons*
1939	413,000 "	1945	**
1940	427,000 "	1946	270,000 "
1941	442,082 "	1947	350,415 "
1942	417,784 "	1948	393,000 "
1943	415,099 "	1949	440,000 "

\* Estimate

\*\* There was no production for most of the year

- c. Of the 1949 output, 360,000 tons was used for the production of open-hearth steel, 8,000 tons for electro-steel production, and 30,000 tons was used in the iron foundries.
- d. The following raw materials are needed for the production of 440,000 tons of pig iron: 1,100,000 tons of iron ore, 132,000 tons of limestone, and 572,000 tons of metallurgical coke. All the limestone is obtainable from domestic sources, but 85 per cent of the iron ore and all of the metallurgical coke must be imported.

## 2. Steel production

- a. Steel production for the last 12 years was as follows:

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1938	647,508 tons	1944	530,000 tons*
1939	732,615 "	1945	100,000 " *
1940	750,496 "	1946	482,375 "
1941	781,588 "	1947	572,235 "
1942	784,496 "	1948	621,074 "
1943	776,386 "	1949	791,630 "

\* Estimate

- b. In order to increase steel production, orders were issued at the beginning of 1950 to install new blast furnaces. These must be imported from abroad.
- c. The consumption of crude steel may be broken down as follows: 50,000 tons for the production of forged and pressed steel; 40,000 tons for steel castings; and 700,000 tons for rolled steel, yielding 470,000 tons of finished product.
- d. The raw-material requirements of Hungary's steel industry include 360,000 tons of pig iron and 400,000 tons of scrap iron. One half of the scrap iron is salvaged in the manufacturing process. Scrap iron requirements, therefore, amount to 200,000 tons per year, of which 70,000 tons can be produced in Hungary. In addition, the following raw materials are required annually, especially for the production of special steels:

ferromanganese (75%)	8,000 tons	ferrowolfram (80%)	150 tons
ferrosilicon (45%)	8,500 "	ferrotitanium (25-30%)	15 "
ferrochromium (69%)	900 "	pure nickel	200 "
ferromolybdenum (70%)	100 "	pure cobalt	10 "
ferrovanadium (80%)	25 "		

- e. With the exception of ferrosilicon, all these materials must be imported. Twenty-five thousand tons of manganese ore are mined at Urkut, Hungary, but this ore must be smelted abroad and is re-imported as ferromanganese. Therefore, it is planned to build a ferromanganese smelter in Hungary which will supply a substantial part of the ferromanganese requirements.
- f. Six hundred tons of graphite electrodes are needed annually for the production of electro-steel. All of this material is imported.
- g. Steel production requires large quantities of refractory materials, such as magnesite, dolomite, refractory bricks, and fire bricks. These materials are procured without difficulty, since they are imported from Czechoslovakia.
- h. At the beginning of 1950, a deposit, rich in titanium ore, was discovered in the Bükk Mountains. The deposit is located north of Eger, between Szarvaskő and Bélapátfalva. Investigation is still in progress and it is not known yet whether enough titanium ore will be found to permit Hungary to reduce its imports.

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